

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF COLUMBIA GAS OF)	
KENTUCKY, INC. FOR A CERTIFICATE OF)	
CONVENIENCE AND NECESSITY TO CONSTRUCT)	CASE NO. 93-456
THE LEXINGTON DISTRICT OFFICE BUILDING ON)	
7.84 ACRES IN THE WESTHAMPTON BUSINESS)	
PARK IN LEXINGTON, KENTUCKY)	

O R D E R

IT IS ORDERED that Columbia Gas of Kentucky, Inc. ("Columbia") shall file the original and 12 copies of the following information with the Commission within 30 days from the date of this Order, with a copy to all parties of record. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copies material to ensure that it is legible. If the information cannot be provided by the stated date, Columbia should submit a motion for an extension of time stating the reason a delay is necessary and a date by which the information will be furnished. Such a motion will be considered by the Commission.

1. Provide a cost/benefit analysis which supports the company's decision to construct this facility.

2. Provide complete details of the analysis performed when evaluating the leasing options referred to in your application.

3. Other than the leasing option did Columbia analyze any other alternatives? If so, provide complete details of the results of these analyses.

4. Explain in detail what will be done with each of the existing facilities Columbia proposes to relocate to the new facility. Explain any costs to be incurred in disposing of the property either by sale or termination of lease.

5. Provide a detailed breakdown of the amount of financing for the new facility to be done through equity, short-term debt and long-term debt.

6. Provide a detailed analysis reflecting Columbia's anticipated capital costs associated with this construction.

7. Will any portion of the new facility be utilized by entities other than Columbia? If so, identify the entities and state portion of the facility to be utilized by others.

8. Provide a detailed analysis of the impact the new facility will have on the rate base and the rates of Columbia.

9. Provide an estimate of the percentage of the new facility that Columbia has designated as reserved for future growth. Also provide copies of all analyses performed to support the anticipated growth.

10. Is a natural gas vehicle fueling facility included in the proposed construction? If yes, will Columbia allow this facility to be used by other entities?

11. Provide the feasibility studies, bid documents, and the criteria used for selecting the construction contractor(s).

12. Provide an updated project schedule.

13. Provide the updated project costs. A breakdown of the costs should include the costs for the headquarters building, the 7.84 acres of land, warehouse, and any additional facilities.

14. What is the average estimated construction cost per square foot of the headquarters building?

15. Provide a detailed analysis to demonstrate that constructing the proposed facility will not result in wasteful duplication of facilities.

16. Provide an analysis comparing the estimated operating cost of the new facility to the operating cost of the six existing facilities.

17. Will customers experience a decrease in quality of service due to moving from a downtown location to a suburban area? At what locations will customers be able to pay bills or meet with customer service representatives?

18. Provide an analysis with workpapers to support the calculation of \$.02/Mcf as the cost of the new facility over its life.

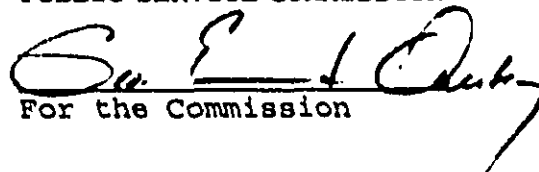
19. When did Columbia begin actual construction of the new headquarters building?

20. Provide the building plans for the headquarters building, all other facilities, and the provision for future growth.

Done at Frankfort, Kentucky, this

2nd day of February, 1994.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director